



Governor Terry E. Branstad
Lt. Governor Kim Reynolds
San Wong, Director

Individual Development Accounts Report

October, 2015

In accordance with House File 648, Division III, Section 9, Subsection 7, 2013 Session, the Department of Human Rights, Division of Community Action Agencies submits the following report to the General Assembly.

H.F. 648 appropriated \$100,000 to the Individual Development Account State Match fund created in Iowa Code Section 541A.7 and administered by the Department of Human Rights (DHR) to support the operating organizations providing Individual Development Accounts (IDA's) in Iowa. H.F. 648 requires a report to the General Assembly by October 1 of each year through 2016 detailing the expenditures made from moneys appropriated in this subsection during the previous fiscal year.

As of September 30, 2015, all funds appropriated in H.F. 648 have been expended for asset purchases or committed to active savings accounts. Funds committed to active accounts will be disbursed by the Division to the Operating Organization as the accounts reach their savings goals and assets are purchased. The Iowa Credit Union Foundation, the designated Operating Organization for the program, is no longer accepting enrollment of new savers into the state IDA program, and currently has waiting lists of potential participants.

Background:

The IDA program was established in 2009 to encourage low-income working Iowans to establish savings accounts for long-term asset development that lead to family self-sufficiency. Participants can qualify for up to \$2,000 in state matching funds to pay for higher education or job training costs, purchase a home, start a small business, pay for emergency medical costs, pay for an automobile, or purchase assistive technology for a family member with a disability. Savers also participate in financial education courses and asset-specific education.

The IDA program was funded with a \$150,000 state appropriation in 2008, and the program began in 2009. A subsequent state appropriation for IDA's was made for \$250,000 in 2009, followed by the appropriation of \$100,000 in H.F. 648 in 2013. The IDA program is operated under a contract with the Iowa Credit Union Foundation, which was awarded the grant through an RFP process.

Through September, 2015, the following results were achieved through use of the funds appropriated in H.F. 648:

\$26,374 was used to fund 25 Individual Development Accounts. These accounts were utilized for the following asset purchases:

- Home - 1
- Education - 18
- Vehicle - 4
- Small business – 2

The balance of \$73,626 is committed to 41 active savers currently enrolled and the administrative costs of the operating organization.

*For more information about the Individual Development Accounts program, contact;
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